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OFFICE OF INSURANCE COMMISSIONER

Technical Advisory - Technical Assistance Advisory T 98-3

April 21, 1998

Attn: Property & Casualty State Filers and Adjusters

[Substitute Senate Bill 6565](#)

Subject: Underwriting of Applicants and Insurance Payments to Insureds Who Have Been or May Be Victims of Domestic Abuse

Substitute Senate Bill 6565, which establishes new requirements for the underwriting of applicants and making insurance payments to insureds who have been or may be victims of domestic abuse, was signed into law by Governor Locke on April 2, 1998. This technical assistance advisory contains information that underwriters, filers and adjusters will need to know in order to ensure compliance with this legislation.

Effective date of the law

SSB 6565 becomes effective on June 11, 1998.

What lines of insurance does this new law apply to?

Subsections 1, 2, 3, 4, and 5: The new law, in its entirety, applies to all lines of insurance other than ocean marine and foreign trade insurances.

Subsection 3: This section only applies to property insurance and includes both personal and commercial lines.

How does the new law affect underwriting?

Companies must review their current underwriting practices to make sure their practices are in compliance with the new law. The law states: "No insurer shall deny or refuse to accept an application for insurance, refuse to insure, refuse to renew, cancel, restrict, or otherwise terminate a policy of insurance, or charge a different rate for the same coverage, on the basis that the applicant or insured person is, has been, or may be a victim of domestic abuse."

Can insurance companies exclude coverage for intentional acts?

In most cases, companies may exclude coverage for losses caused by the intentional or fraudulent acts of any insured. In policies subject to RCW 48.18.120(1) (fire insurance): "Such an exclusion, however, shall not apply to deny an insured's otherwise-covered property loss if the property loss is caused by an act of domestic abuse by another insured under the policy, the insured claiming property loss files a police report and cooperates with any law enforcement investigation relating to the act of domestic abuse, and the insured claiming property loss did not cooperate in or contribute to the creation of the property loss." (SSB 6565, Section 1(3).)

How does the new law define "domestic abuse"?

"Domestic abuse" means: a) Physical harm, bodily injury, assault, or the infliction of fear of imminent physical harm, bodily injury, or assault between family or household members; b) sexual assault of one family or household member by another; c) stalking as defined in RCW 9A.46.110 of one family or household member by another family or household member; or d) intentionally, knowingly, or recklessly causing damage to property so as to intimidate or attempt to control the behavior of another family or household member. (SSB 6565, Section 1(5).)

How does the new law affect forms already approved for use in Washington?

Companies must review their forms to make sure they are in compliance with this new legislation. Any form which does not comply, must be corrected. A company may correct the form either by refiling the form or by filing an amendatory endorsement. See RCW 48.18.140 (2)(f).

How will the new law affect forms currently being reviewed and future form filings?

All forms currently being reviewed will be analyzed to ensure they comply with the new law. Any form determined to violate the law will be disapproved. Companies should carefully review future form filings to ensure the forms are in compliance with the law. See RCW 48.18.140 (2)(f).

What if a loss that would be covered under this new law occurs before a company corrects its forms?

The new law would apply, and the insurer must handle the loss as if its forms provided the coverage required by the law.

Where can I get a copy of the new law?

The new law, in its entirety, is available on the OIC's Internet web site. The address is: WWW.WA.GOV/INS. A copy may also be obtained by calling the Washington Code Reviser's Office at (360) 786 - 6777.

How does the new law affect OIC's Technical Assistance Advisory, T 97 - 4, dated October 31, 1997 (Denial of coverage to innocent co-insureds)?

The new law supersedes the technical assistance advisory. Therefore, that advisory is withdrawn effective June 11, 1998, the date the new law becomes effective.

What if I have questions that were not addressed in this advisory?

Contact Lee Barclay at (360) 586-3675 or you may e-mail him at LeeB@oic.wa.gov